

<p>BOARD OF ASSESSMENT APPEALS, STATE OF COLORADO 1313 Sherman Street, Room 315 Denver, Colorado 80203</p> <hr/> <p>Petitioner:</p> <p>PARKING COMPANY OF AMERICA AIRPORT,</p> <p>v.</p> <p>Respondent:</p> <p>ADAMS COUNTY BOARD OF EQUALIZATION.</p>	
<p>Attorney or Party Without Attorney for the Petitioner:</p> <p>Name: Bonnie Shields, Esq. Address: 3677 S. Huron St., Suite 105 Englewood, Colorado 80110 Phone Number: (303) 762-0444 E-mail: shieldslawoffice@aol.com Attorney Reg. No.: 33685</p>	<p>Docket Number: 42191</p>
<p>ORDER</p>	

THIS MATTER was heard by the Board of Assessment Appeals on May 23, 2005, Debra A. Baumbach and Karen E. Hart presiding. Petitioner was represented by Bonnie Shields, Esq. Respondent was represented by Jennifer Wascak Leslie, Esq. Petitioner is protesting the 2003 actual value of the subject property.

PROPERTY DESCRIPTION:

Subject property is described as follows:

**19901 East 56th Ave., Aurora, Colorado
(Adams County Schedule No. 0182100010001)**

The subject property consists of an extended-stay parking lot with shuttle service to Denver International Airport. Built in 1996, the major improvements on the property are a modular office, asphalt paving, two tollbooths, and an exit canopy.

ISSUES:

Petitioner:

Petitioner contends that Respondent's asphalt depreciation is incorrect. The paving should be reduced to a 15-year life but not more than a 35-year life.

Respondent:

Respondent contends that the subject property has been correctly valued based on the actual costs of the improvements. Additionally, the property is undervalued due to the omission of the modular office building.

FINDINGS OF FACT:

1. Petitioner's witness, Mr. Dave Legenos, a Registered Appraiser with Elite Property Services, presented the following indicator of value:

Cost: \$2,996,789.00

2. Mr. Legenos testified that he inspected the subject property in February and March 2005. His values were derived from RS Means – 63rd Annual Edition 2005, and Craftsman 2005 National Building Cost Manual. He made no adjustments to the manual costs for time. Adams County does not list the modular building on the County records.

3. Mr. Legenos believes the paving should have a 15-year life, based on the information contained in Respondent's Exhibit 1, page 8a. Petitioner spends about \$90,000.00 a year for maintenance of the paving, which he believes supports a 15-year life, though the cost calculations shown in Petitioner's Exhibit A were based on a 35-year life. His remaining improvement costs were depreciated on a 60-year life basis with an actual age of six years. Mr. Legenos has no dispute with Respondent's land value.

4. Under cross-examination, Mr. Legenos testified that he did not assign a value to the landscaping, as he did not realize there was a \$40,000.00 actual cost. He did not have the actual cost data for the subject property when he completed his valuation. He would now change his value to include lighting and electrical costs and landscaping costs. He would also revise the canopy and asphalt costs, though he would use a different depreciation rate than Respondent used. Mr. Legenos believes these revisions would result in the same value as his original estimate.

5. Petitioner's witness did not present a value based on the market approach. Regarding the income approach, Mr. Legenos testified that he attempted on three separate occasions to obtain income information on the subject property from Petitioner's representative, Mr. Andrews, who failed to furnish the information.

6. Upon questioning by the Board, Mr. Legenos testified that he would change his asphalt cost to \$1,429,580.74 with a 15-year life. He now understands that the lighting and electrical costs listed on page 8b of Respondent's Exhibit 1 are for the underground utility installations and caissons associated with the parking lot lighting system and not for the actual poles and lights, which are owned by Public Service.

7. Petitioner is requesting a 2003 actual value of \$2,996,789.00 for the subject property.

8. Respondent's witness, Mr. Terry Blake, a Registered Appraiser with the Adams County Assessor's Office, presented the following indicator of value:

Cost: \$3,447,000.00

9. Mr. Blake testified that his valuation includes fencing, landscaping and a passenger shelter building. There is an unassembled bus garage structure located at the subject property that is not listed on the tax roll.

10. Mr. Blake testified that an investor would utilize the income approach to determine the value of the subject property, but the Adams County Assessor's Office could not obtain information from Petitioner regarding actual income and expenses. Mr. Blake considered the market approach but could not find any sales other than the subject, which sold in 1998 for \$7,425,238.00.

11. Respondent's witness used actual costs as submitted by Petitioner to derive a cost value for the subject property of \$3,447,033.00.

12. Mr. Blake testified that Exhibit 1, page 8a is a copy of a schedule submitted to the Adams County Assessor in 1998 showing the original cost of the subject property including personal property. Page 8b is a recompilation of the actual costs shown on page 8a. Mr. Blake subtracted the personal property to arrive at a cost for the real estate improvements of \$2,033,336.14 before depreciation.

13. Mr. Blake testified that he assigned an overall 13% depreciation rate based on a 6-year age and an overall life expectancy of 40 years. He believes he should have used a 50-year expected life on the majority of the improvements and a 35-year life for the asphalt, as recommended by Marshall Valuation Service. The asphalt is constantly upgraded and maintained, which supports a 35-year life rather than the 15-year life Petitioner used. The modular office is not included in the valuation; it is on a foundation and should be valued new at \$81,000.00 based on the cost of the building as reported by the owner.

14. Mr. Blake testified that Mr. Legenos used 2005 cost books, which are beyond the June 30, 2002 level of value date.

15. Under cross-examination, Mr. Blake testified that he first inspected the subject property in 1997 and last inspected it in December 2004. He has visited the property every year for the last three years due to the bus barn Building Permit. The bus barn building is not yet erected but he must check the property in December of each year to see if construction has occurred. The Adams County Assessor's Office and the owner of the subject property negotiated to arrive at the 40-year life expectancy. Mr. Blake admitted that it is possible the asphalt will not last 35 years, but it is continually upgraded and well maintained, as noted on his inspections.

16. Respondent assigned an actual value of \$3,447,010.00 to the subject property for tax year 2003.

CONCLUSIONS:

1. Respondent presented sufficient probative evidence and testimony to prove that the tax year 2003 valuation of the subject property was correct.

2. The Board could give little weight to Petitioner's cost valuation. Petitioner relied on 2005 cost data, which is clearly beyond the level of value date of June 30, 2002 and the assessment date of January 1, 2003.

3. The Board was convinced that the paving should be given a 35-year life as recommended by the state approved cost manual, Marshall Valuation Service. The 15-year life as shown in Respondent's Exhibit 1, page 8a, is clearly based on an accounting methodology and is not acceptable appraisal practice. Using an actual age of six years and a 35-year life results in a depreciation rate of 17%. Applying a 17% depreciation rate to the replacement cost new of \$1,429,580.74, results in an indicated value of \$1,186,552.01 for the paving.

4. The value of the remaining improvements was recalculated using a 50-year life with an actual age of six years resulting in a depreciation rate of 12%. Using a replacement cost new of \$589,762.71, which includes the original cost of the modular office building at \$81,000.00, results in a depreciated value of \$518,991.18. The Board accepted the agreed upon land value of \$1,756,775.00.

5. After careful consideration of all of the testimony and evidence presented, the Board concluded the 2003 value of the subject property to be \$3,462,318.19, with \$1,756,775.00 allocated to land and \$1,705,543.19 allocated to improvements. The Board notes that their concluded value is higher than the Adams County Board of Equalization's assigned value. However, the Board does not have the authority to increase the value assigned to the subject property.

ORDER:

The petition is denied.

APPEAL:

Petitioner may petition the Court of Appeals for judicial review within 45 days from the date of this decision.

If Respondent alleges procedural errors or errors of law by this Board, Respondent may petition the Court of Appeals for judicial review within 30 days from the date of this decision.

DATED and MAILED this 17th day of June 2005.

BOARD OF ASSESSMENT APPEALS

Debra A. Baumbach
Debra A. Baumbach

Karen E. Hart
Karen E. Hart

This decision was put on the record

JUN 17 2005

I hereby certify that this is a true and correct copy of the decision of the Board of Assessment Appeals.

Penny S. Lowenthal
Penny S. Lowenthal

